

## **CRWCD WATER MARKETING**

### **March 2003**

The Colorado River Water Conservation District owns and controls water supplies that are available for use within the District under a Water Marketing Policy which is implemented by the District's "Colorado River Water Projects Enterprise." In connection with that Policy, the Enterprise Board has approved a form Water Supply Contract. The Policy and Contract (as revised and readopted March 12, 2003) and a contract request form are included in this informational package.

The Enterprise's Supplies currently are divided into our "Colorado River" Supply and our "Eagle River" Supply.

- The Colorado River Supply is available from (1) Wolford Mountain Reservoir located on Muddy Creek, a tributary of the Colorado River near Kremmling, and (2) contract supply available through the U. S. Bureau of Reclamation for water from Ruedi Reservoir located on the Fryingpan River, a tributary of the Roaring Fork River.
- The Eagle River Supply is available from storage facilities located in the headwaters of the Eagle River (Eagle Park Reservoir and Homestake Reservoir). The Enterprise is a shareholder in the Eagle Park Reservoir Company and is thereby entitled to the release of water from Eagle Park Reservoir, which is owned by that Company, and from Homestake Reservoir, with which the Company has an exchange agreement.

Contracts can be made for a term effective up to 40 years with a renewal process for an additional 35 years. The price for water depends upon the nature of the end use (e.g., "Municipal & Industrial"), the type of service, and other matters which are particularized in the Policy and Contract. We offer pricing on an "annual" basis or "up-front" basis. The "annual" basis contract is binding long-term on the Enterprise but allows the contractor to cancel the contract within one year. This provision was designed primarily to accommodate municipal suppliers who may have limitations on their legal ability to make a multi-year obligation.

The Enterprise offers two general types of service. "Wholesale" service allows the contractor to secure delivery of storage water for which the contractor then has the obligation to obtain legal approvals, such as a plan for augmentation. "Retail" service allows the contractor to have its out-of-priority diversions or depletions legally protected under a plan for augmentation or substitute supply plan obtained by the Enterprise on behalf of the contractor and other similarly situated users. Currently, there is no retail service available.

Eagle River users who want the price benefit of a "blend" on a wholesale basis should apply for both Colorado River Supply and Eagle River Supply water in amounts based on their own water rights engineering. In that situation, the user can acquire one contract covering both Supplies or separate contracts for the individual Supplies.

The District's General Manager is authorized by the Policy to designate the geographic areas in which the Enterprise's retail service will be provided. The Enterprise contemplates offering service in the future in the following three areas: (1) the Eagle River drainage from the mouth of Squaw Creek downstream to the Eagle River/Colorado River confluence; (2) the Muddy Creek drainage upstream from Wolford Mountain Reservoir; and (3) the Colorado River mainstream drainage from the mouth of Muddy Creek downstream to Glenwood Canyon. Plans for augmentation and substitute supply plans are offered through West Divide Water Conservancy District and Basalt Water Conservancy District in their service areas.

The Enterprise's contracting process is generally outlined below. In our experience, with prompt attention to the process by both sides a contract generally can be completed within 30 days from our receipt of the Application.

1. The contracting process is initiated by the Contractor submitting a completed "Application for Water Supply Contract" (included in this package) together with a non-refundable processing fee in the amount of \$250.00.
2. Upon approval of the Contract request by the District's technical staff, a draft contract is prepared by the legal staff and provided to the Contractor for comment. The District's staff can make nonsubstantive revisions to the form Contract to tailor it to specific situations. If the Contractor requests substantive changes to the Contract, those must be presented to and approved by the District's Enterprise Board. The Board meets quarterly in January, April, July and October and may meet in between those regular meetings in special meetings.
3. Upon completion of the Contractor's input and any appropriate revisions, final originals of the Contract are prepared by the legal staff and presented to the Contractor for execution. The Enterprise will execute the Contract after the Contractor has done so. The Contract is deemed to be rejected by the Contractor if it is not signed and returned to the District within 60 days after the final originals are mailed to the Contractor for signature.
4. Information about the water rights adjudicated for the Enterprise's sources of supply and the hydrological analyses upon which the contracting process is based is available for review upon request. The detailed "Water Rights Descriptions" document will be provided upon request, in "hard copy" or electronic format, to Enterprise wholesale contractors for their use in preparing Water Court applications.
5. The Enterprise requires that a Contract exist in order for a Water Court decree to be entered which identifies the Enterprise's supplies as a source of water for augmentation or other purposes. Therefore, when a Water Court application is filed which identifies the Enterprise's supplies but no Contract has been executed, the Enterprise will file a statement of opposition to that application to ensure that a Contract process is completed or that the Enterprise's supplies are not included in the final Court decree. The General Manager has discretion in such situations to impose a \$500.00 processing fee, instead of the \$250.00 fee, to cover costs of the Enterprise's Water Court participation.

We appreciate your interest in our Water Marketing Program. If you have questions about the Water Marketing Policy or contracting process, or if you want any additional information about the River District Enterprise's Supplies, please contact Dave Merritt (Chief Engineer) at (970) 945-8522 by mail at P. O. Box 1120, Glenwood Springs, Colorado 81602, or by Internet communication at [dmerritt@crwcd.org](mailto:dmerritt@crwcd.org).